

***Delaware Health Resources Board
Meeting Minutes
Thursday, July 26, 2018 2:30 PM
Delaware Technical Community College (Deltech Terry Campus)
Corporate Training Center Rooms 400A and B
100 Campus Drive
Dover, Delaware 19901***

Board Members Present: Acting Chair Yrene Waldron, Lynn Fahey, Leighann Hinkle, Dennis Klima, Mark Thompson, John Walsh, Michael Hackendorn, Carolyn Morris, Edwin Barlow

Board Members Absent: Brett Fallon, Esq., Vincent Lobo, D.O., Theodore Becker, Julia O'Hanlon, Nicholas Moriello

Staff Present: Latoya Wright and Joanna Suder

Call to Order and Welcome:

The Acting Chair Yrene Waldron, Esq. welcomed the Board members and called the meeting to order at 2:34 p.m.

Action

May 24, 2018 Meeting Minutes

The meeting minutes were reviewed. Dennis Klima made a motion to approve the minutes. Mark Thompson seconded the motion; there was a voice vote, no abstentions, no opposing. Motion carried.

Mark Thompson recused himself from the meeting before the Beebe Healthcare Certificate of Public Review application discussion began.

Beebe Healthcare Oncology Center Certificate of Pubic Review Application

Beebe submitted an application to construct an Oncology Center in Millville DE. The capital expenditure is between \$15 to 20 million. The Review Committee that reviewed the application was John Walsh, Julia O'Hanlon and Nick Moriello. John Walsh the Chair of the Review Committee provided the recommendation report to the Board.

Project Summary and Background Information

Beebe Healthcare's Tunnell Cancer Center on the Health Campus between Lewes and Rehoboth is operating at capacity and needs expanding. Rather than expand on that site, Beebe Healthcare proposes constructing a second cancer center on Route 17 in Millville to improve access to care for residents in the South Coastal region. The cancer center will include full multimodality cancer treatment, including Medical Oncology, Radiation, and Chemotherapy. In addition, cancer screenings, diagnostic services, psychosocial support, and survivorship programs that are a hallmark of Beebe's oncology program will be offered at the new center. Beebe's Cancer Screening Navigation and Breast Health Navigation programs will also be available.

Delaware residents of the South Coastal region, including towns from Bethany Beach, Ocean View, Selbyville and Frankford to the west, are poorly served with accessible health care services. The Rehoboth and Indian River Bays and the crowded Highway 1 create roadblocks to accessible care. South Coastal residents live the farthest from Beebe Medical Center and other core healthcare services than the other population in Beebe's Primary Service Area. Beebe Healthcare offers a range of outpatient services in Millville (i.e., primary care, walk-in care, physical rehabilitation, laboratory and diagnostic imaging). Beebe will be expanding on those services on the new site.

Beebe Healthcare proposes to build a comprehensive Cancer Center in Millville Delaware to serve residents of the South Coastal region. This is an area bordered by the Atlantic Coast and the towns of Bethany Beach and Fenwick Island. It stretches west past Route 113 and the towns of Frankford and Selbyville. There are no Cancer Centers located in this region. Travel for regular and frequent even daily treatments is a burden for these residents.

Constructing a comprehensive Cancer Center in Millville will improve access and reduce travel times for those who are diagnosed with cancer that reside in the southern-most region served by Beebe Healthcare. Travel time to the Tunnell Cancer Center from this region ranges from 30 to 60 minutes and can be 90 minutes during the tourist season.

The cancer center in Millville will provide the same services that are available at the Tunnell Cancer Center at the Health Campus—Rehoboth. These will include:

- medical oncology and hematology
- chemotherapy treatments
- radiation therapy
- surgical oncology consults

The Cancer Center will be 15,107 square feet of dedicated space, with 9,697 square feet of support services (i.e., pharmacy, lab) and space that will be shared by a proposed emergency medicine department (Attachment D.1 – Beebe Oncology Services South Coastal Floor Plan). The Cancer Center will include:

- 6 exam rooms and 3 consult rooms
- 1 linear accelerator for radiation therapy treatments
- 16 chemotherapy infusion bays
- 2 private chemotherapy infusion rooms
- 1 Computed Tomography (CT) room
- 4 Private Physician offices

Conformity of Project with Review Criteria

Criterion I: The relationship of the proposal to the Health Resources Management Plan.

Beebe Healthcare is a not-for-profit; community-based health system founded 102 years ago. Their charitable mission is to encourage healthy living, prevent illness, and restore optimal health with the people residing, working, or visiting the communities they serve. This mission guides Beebe towards providing care for all in their community, regardless of their ability to pay. Beebe's charity policy formalizes this practice. Beebe is a provider of care to Medicare and Medicaid beneficiaries. The Cancer Center, as part of Beebe Healthcare, would operate under this same mission. Beebe is

a Medicare and Medicaid participant, and maintain a Charity Care Policy. The health system is accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO), and many of its programs, including the oncology program, are accredited by other entities. Beebe is an active participant and supporter of the Delaware Health Information Exchange Network (DHIN). Beebe states their oncology program conform to the Statutory Criteria of the Delaware Code and the seven Guiding Principles that align with the State's health care reform efforts.

Medicare and Medicaid Service

Beebe Healthcare has a long history as a certified participant provider for both Medicare and Medicaid beneficiaries. Of Beebe Healthcare's total annual expenditures in fiscal 2017, more than 75% was for the provision of care to Medicare and Medicaid beneficiaries. Of the total annual expenditures for oncology services, about 76% was for the provision of care to Medicare and Medicaid beneficiaries.

Accreditation—Oncology

The oncology program of Beebe Healthcare is accredited by the **Commission on Cancer (COC) of the American College of Surgeons (ACOS)**. To earn voluntary COC accreditation, a cancer program must meet 34 COC quality care standards, be evaluated every three years through a survey process, and maintain levels of excellence in the delivery of comprehensive patient-centered care. The oncology program is also accredited by the **Quality Oncology Practice Initiative (QOPI®) Certification Program**, an affiliate of the American Society of Clinical Oncology (ASCO). The QOPI® Certification Program (QCPT™) provides a three-year certification for outpatient hematology-oncology practices that meet nationally recognized standards for quality cancer care.

Beebe Healthcare's Breast Health Program was granted a three-year, full accreditation designation by the **National Accreditation Program for Breast Centers (NAPBC)**, a program administered by the American College of Surgeons. It is the only program in Delaware to receive a three-year accreditation from NAPBC to date.

Charity Care

Beebe has a formal Charity Care Policy, most recently updated in 2010. It is the hospital policy that no one will be denied medically necessary hospital services based upon the patient's ability to pay for those services. Patients with income up to 400% of the Federal Poverty Level are eligible for charity care or financial assistance. Public notice of the charity care and financial aid are visible within the hospital and ambulatory care settings. Beebe provided Charity Care totaling \$12,854,008 in fiscal 2017, which constitutes 4.1% of our total patient care expenditures. For Oncology patients, Beebe estimates charity care at \$1,446,250.

DHIN Participation

Beebe Healthcare has been a continuous participant with and financial supporter of the Delaware Health Information Network since its inception. Beebe submits care records to the DHIN daily. In addition, Beebe access care information to support caregivers and care coordinators. Beebe providers access data from the DHIN for multiple purposes to include care coordination. The cancer navigators access DHIN daily to support the coordination of care for their oncology patients. Beebe's Medical Group providers access the DHIN for information on new and existing patients for retrieving up-to-date records and test results. Beebe has set up an automatic feed from

their ambulatory electronic medical record (EMR) to the DHIN. This sends the DHIN a Continuity of Care Document (CCD) after each appointment note is signed by the provider.

Care Coordination

The oncology program at Beebe includes a dedicated Breast Health Center Nurse Navigator and a Cancer Screening Nurse Navigator. Both individuals partner with residents and cancer patients for the following: coordinate screening and diagnostic tests, navigate through the health insurance market, remove barriers to timely care, and coordinate cancer treatments. The Nurse Navigators have Masters of Science in nursing degrees. Beebe's efforts include providing transportation to and from oncology treatments for those in need.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion I. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion II: The need of the population for the proposed project.

The application asserts that Sussex County experienced a significant growth in population over the last 10 years. This growth has put a burden on the current healthcare infrastructure. Planning for future demand is at the core of this proposed expansion. The application states the primary service area of Beebe Healthcare, which is the southeastern portion of Sussex County, the population has grown. The Board reviewed the Delaware Population Projections provided by the Delaware Population Consortium. The projections shows a population increase over the next few years in Sussex County.

Beebe states there are approximately 83,000 residents in the towns that make up the South Coastal communities south of the Indian River Inlet. Improving access to care will be especially important for residents of the western towns in the South Coastal service area (Dagsboro, Frankford, Selbyville, and Millsboro).

Cancer Incidence

The application notes, approximately 1,700 new cancer cases are diagnosed annually among residents of Sussex County, Delaware. Due to projected population growth, the number of new cancer cases in the county is expected to grow to over 2,000 cases by 2021, approximately a 14% increase.

Travel Burden

Expanding cancer services with a new Cancer Center in Millville will greatly improve convenience, access and reduce the burden of travel. There are nearly 500 Delawareans residing in the South Coastal communities who are diagnosed with cancer each year. In the South Coastal communities, approximately 471 new cancer cases are diagnosed each year. Presently, 100% of those patients must drive from 30 to 60 minutes out of their community for diagnosis and treatment.

Cancer Mortality and Early Diagnosis

Beebe asserts mortality from cancer has been declining in the U.S. and in Delaware for a number of years. Improvements in medical therapy and radiation technology has improved outcomes, as

has increasing the number of cases that are diagnosed at early stages. It was noted that the Review Committee discussed the need for oncology services and the cancer clusters in the Sussex County area. With the aging population increasing in this county, it is evident that there is a greater need for additional services for this population. It was stated the Oncology Center will offer cancer screenings and consultations on site.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion II. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the State of Delaware.

There are currently no cancer centers or cancer providers in the South Coastal market. Presently, 100% of patients from these communities drive from 30 to 60 minutes out of their community for diagnosis and treatment.

The majority of South Coastal residents drive to one of the following cancer centers for diagnosis and treatment:

- | | |
|--|------------------------------|
| • Beebe Tunnell Cancer Center (Rehoboth, DE) | 30-45 minutes from Millville |
| • Nanticoke Memorial Health System (Seaford, DE) | 60 minutes from Millville |
| • Milford Memorial Hospital (Milford, DE) | 60 minutes from Millville |
| • Peninsula Regional Medical Center (Berlin, MD) | 30-40 minutes from Millville |
| • Atlantic General Health System (Berlin, MD) | 30-40 minutes from Millville |

Beebe's current Tunnell Cancer Center requires an expansion to accommodate the current and projected population. Building a new Cancer Center will meet the growing demand for those residing in the health system's primary service area. This will improve convenience, access and reduce the travel burden for those being treated for cancer. This project will not require significantly more capital investment than expanding the current site; however, it will improve access significantly for Delaware's southern-most residents. It was stated during the Review Committee meeting, the Review Committee discussed the other cancer centers providing services to the population in the coastal towns. It was mentioned that these facilities are farther away which places a travel burden on residents. The costs for procedures at the other facilities are unknown, however it is expected that reimbursement costs would be relatively the same for all facilities.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion III. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion IV: The relationship of the proposal to the existing health care delivery system.

Relationship to Current Healthcare System.

The Cancer Center will be owned and operated by Beebe. It will be managed and staffed by the same team that currently serves patients and manages programs at the Tunnell Cancer Center. Since 1996, Beebe has offered treatment for cancer, first at the hospital on Savannah Road, then

at an expanded facility at the Rehoboth site. The following services will be extended in full at the new Center:

- Care navigation
- Clinical trials and research,
- Technology
- Survivorship programming
- Screening and early diagnosis

Referral Relationships

The success of Beebe's Tunnell Cancer Center in serving residents of southeastern Sussex County depends upon the productive and supportive relationships between medical, radiation oncologists, surgeons, primary care and other physicians. These relationships are already in place in the South Coastal community, and will be enhanced with the location of those services proximate to the residents and the referring physicians. The most common referral patterns in cancer care rely on the surgeon. Of new cancer cases, 90% involve solid tumors such as breast, lung, colorectal, and prostate cancers. Primary Care, Gastroenterology, Pulmonology and OB/GYN physicians are primary referral sources. There are 49 physicians in these specialties in the primary service area, 28 of whom are employed by Beebe Medical Group. These referrals frequently are sent first to an oncologic or general surgeon, and some concurrently see the medical oncologist. There are 15 surgeons (general, oncologic, GYN, urologic, colorectal) who can treat oncology cases in the primary service area, 13 of which are employed by Beebe.

Clinical Trials Expand Treatment Options

Through affiliation with Christiana Care, patients of Beebe's oncology program are eligible to participate in clinical trials. Clinical trials bring new and expanded treatment options to patients. In 2017, 89 patients were enrolled in clinical trials offered. This is 10% based on 900 analytic cases and exceeds the Commission on Cancer (COC) standard for 4-6% of annual analytical cases. During the recent COC accreditation survey, Beebe received Commendation for exceeding the clinical research standard.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion IV. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion V: The immediate and long-term viability of the proposal in terms of the applicant's access to financial, management and other necessary resources.

In 2016, Beebe retained the firm, Oncology Solutions, to complete an evaluation of the oncology program at Beebe. Their study included recommendations to strengthen clinical programs, operations, and an evaluation of how best to expand to meet the needs of the population in Beebe's Primary Service Area. Their report included a financial feasibility study for building a second Cancer Center in Millville to serve the residents of the South Coastal region (Attachment E.2 – Oncology Solutions Study).

Based on several assumptions, it is expected the Millville Cancer Center can operate at a net surplus annually, starting in the first full year of operation. The projections are based on the following key assumptions:

- New Cancer Center will serve 80% of the new cancer patients in the South Coastal region.
- Ability to run the center efficiently without a large overhead expense.

- Ability to maintain similar rates of reimbursement from commercial contracts.
- Contract with the radiation oncology practice will remain within its current range for compensation and productivity.

The Board discussed the application stating there will be addition of 11 nurses added once the new center opens. It was mentioned there is shortage of nurses across the state. There was also a discussion surrounding the application predicting an operating surplus of \$715, 560 in the first year of operation and an operating surplus of \$883,755 in the second year of operation. The Board discussed that the volume and service levels may be a contributing factor to the surplus projected. It was asked if the application provided the profit margin of the Tunnel Center. It was stated the application didn't include this information. It was asked if Beebe could provide the Board members the profit margin of the Tunnel Center at the meeting. The Deputy Attorney General advised the Board that she did not recommend the Board members asking Beebe this information during today's meeting if it was not going to determine the Board's vote on this criterion, however this is advice and it is their decision. If the Board does not object to asking Beebe for the profit margin of the Tunnel Center, then Beebe may respond. The Board asked Alex Syndor, a representative for Beebe for the profit margin of the Tunnel Center. He stated he did not currently have that information today, however as stated earlier during the discussion, the projection of surplus is determined by volume and service levels.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion V. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion VI: The anticipated effect of the proposal on the costs of and charges of healthcare. The application for the proposed project includes the following projected costs during its first full year of operations:

Financial Impact (first full year of operations)

Estimated effect on annual expenses:	\$ 6,395,406
Estimated effect on annual revenue:	\$ 7,110,966
Estimated effect on individual charges:	\$ 0.00

The Board reviewed Schedule 4 –Statement of Revenue and Expenses provided in the application. Beebe does not anticipate any direct impact on individual charges or costs related to delivering cancer treatment at the Millville Center. The Center will be sized to serve only that geographic area, and will not create unused capacity (and cost). The Center will offer more convenient access to cancer treatment for residents and will reduce financial, travel and emotional burden on residents of the South Coastal area. The presence of a Cancer Center in the community will support prevention and cancer screening activities that may increase early diagnosis. This ultimately lowers total cost of care and lowers mortality. Schedule 10 includes the costs for the entire building. Only a portion of which will be dedicated for cancer care. A portion will be used for emergency medicine. A central core will provide shared services such as lab and diagnostic imaging. A portion of the patients being treated at the Millville Center will not be new patients to Beebe; however, those patients will be treated in Millville rather than the Tunnell Cancer Center. Some will be new patients to Beebe that would have otherwise traveled out of the market for care. Beebe anticipates these patients will generate net revenue in the first year of operation.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion VI. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion VII: The anticipated effect of the proposal on the quality of health care.

Beebe's oncology program has been dedicated to continuous improvement in cancer care since it was founded more than 20 years ago. Today, multi-disciplinary teams, clinical performance groups, and appropriate investment in technology support an excellent care experience for patients being treated for cancer by Beebe, regardless of their ability to pay.

Multidisciplinary Team Care

Multi-disciplinary team care is at the heart of the quality program for oncology. Each week, the Tumor Board meets. Medical oncologists, radiation oncologists, nurses, care navigators and social workers discuss and formulate a care plan for each patient. The physician leads the care plan design. Patient barriers are identified. The cancer navigators coordinate the care to address any barriers, including financial, transportation, caregiver support, and psychosocial needs.

Quality Measures

Beebe's oncology program is accredited through the Quality Oncology Practice Initiative (QOPI®) Certification Program. QOPI provides the following: a standard methodology, a robust library of quality metrics for oncology, a collection tool to reliably and routinely assess care, inform quality improvement activities, and demonstrate quality to patients and external stakeholders.

Beebe's focus on quality includes adherence to nationally accepted standards. The oncology team has improvement projects on an ongoing basis, including:

- improving care of patients undergoing chemotherapy concurrent with radiation therapy
- patient outcomes
- care plan adherence to guidelines on medications
- improving patient adherence to oral chemotherapy
- timeliness of patients receiving medication
- minimizing wait times between screening, diagnosis, and treatment

Clinical Performance Groups

Clinical Performance Groups (CPG), which are chaired by physicians, are focused around specific tumor sites. CPGs develop standardized clinical processes and protocols within this sub-specialty. CPGs minimize variation and enable superior outcomes with optimized cost. Presently CPGs are in place for breast and thoracic cancers. CPGs are in development for gastrointestinal cancer.

Technology

Certain technology investments can improve quality care and outcomes. This is true for radiation oncology. The Millville Cancer Center will include the Varian TrueBeam® radiation therapy system.

Screening and Early Diagnosis

In 2017, Beebe's oncology program hosted or participated in 15 community outreach screening events, and provided more than 340 documented education sessions, 1,837 cancer screenings, including skin, breast, and lung cancer. In Delaware, there is a strong focus on increasing early detection of lung cancer through the low dose CT. In 2017, Beebe conducted 1,361 of these screening tests. An integrated team of caregivers, patients, architects and construction managers is designing the new Cancer Center. The design is focused on quality care, interactions between providers and between providers and patients, and easy access to all services, including on-site lab and pharmacy that support efficiency and timely care.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion VII. There was a voice vote, no abstentions, no opposing. Motion carried.

Action

There was a motion made to accept the Review Committee's recommendation that the application to construct a new Oncology Center in Millville is approved with a recommendation to encourage Beebe to develop a proactive recruitment plan. There was a voice vote, no abstentions, no opposing. Motion carried.

Beebe Healthcare Freestanding Emergency Department Certificate of Public Review Application

Beebe submitted an application to construct a Freestanding Emergency Department in Millville DE. The capital expenditure is between \$19 to 22 million. The Review Committee that reviewed the application was Carolyn Morris, Leighann Hinkle and Lynn Fahey. Carolyn Morris, the Chair of the Review Committee provided the recommendation report to the Board.

Project Summary and Background Information

Delaware residents of the South Coastal region, including towns from Bethany Beach, Ocean View, Selbyville and Frankford to the west, are poorly served with accessible health care services. The Rehoboth and Indian River Bays and the crowded Highway 1 create roadblocks to accessible care. South Coastal residents live the farthest from Beebe Medical Center and other core healthcare services than the other population in Beebe's Primary Service Area. Beebe Healthcare offers a range of outpatient services in Millville (i.e., primary care, walk-in care, physical rehabilitation, laboratory and diagnostic imaging). Beebe will be expanding on those services on the new site.

Beebe Healthcare proposes to build and operate a year-round Freestanding Emergency Medicine Department in Millville, Delaware to improve access to timely emergency care for the residents and visitors to the South Coastal region. Beebe estimates that the Millville Emergency Department will serve 15,000 patients each year, 25% of whom (3,750) will be visitors to the region who live outside of the service area. Of the annual patients at the Millville Emergency Department, approximately 3,400 would have been served at the hospital's Emergency Department in Lewes, thus lowering the burden on that facility. There are currently no emergency medicine services located in the region. Residents travel from 30 to 60 minutes to reach the nearest Emergency Department.

The proposed Millville Emergency Department will include 16,741 square feet of dedicated space, including diagnostic imaging, with 9,697 square feet of support services and space that will be shared by a proposed Cancer Center. The Emergency Department will include:

- 24 Emergency Exam/Treatment Rooms
 - 12 Various Exam Treatment Rooms
 - 9 Exam Treatment Rooms
 - 1 Behavioral Health room
 - 2 Isolation Exam Treatment Rooms with Private Toilets
 - 2 Resuscitation rooms
 - 10 Triage Observation and Holding Rooms
- 1 Computed Tomography (CT) room
- 1 X-ray
- 1 Ultrasound
- Onsite laboratory (shared with proposed Cancer Center)
- Onsite Pharmacy (shared with proposed Cancer Center)
- Onsite Facilities/Materials Management including receiving facility (shared with proposed Cancer Center)

Conformity of Project with Review Criteria

Criterion I: The relationship of the proposal to the Health Resources Management Plan.

Beebe's charitable mission is to encourage healthy living, prevent illness, and restore optimal health with the people residing, working, or visiting the communities they serve. This mission guides Beebe towards providing care for all in their community, regardless of their ability to pay, and Beebe's charity policy formalizes this practice. Beebe is a provider of care to Medicare and Medicaid beneficiaries. The proposed Emergency Medicine Department, as part of Beebe Healthcare, would operate under this same mission, Medicare and Medicaid participation, and Charity Care Policy. Beebe is accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO). This accreditation includes Emergency Medicine services. Future accreditation surveys will include the proposed Millville Emergency Medicine department. Beebe is an active participant and supporter of the Delaware Health Information Exchange Network (DHIN).

Medicare and Medicaid Service

Beebe Healthcare has a long history as a certified participant provider for both Medicare and Medicaid beneficiaries. Of Beebe Healthcare's total annual expenditures in fiscal 2017, more than 75% was for the provision of care to Medicare and Medicaid beneficiaries.

Charity Care

Beebe Healthcare has a formal Charity Care Policy, most recently updated in 2010. It is hospital policy that no one will be denied medically-necessary hospital services based upon the patient's ability to pay for those services. Patients with income up to 400% of the Federal Poverty Level are eligible for charity care or financial assistance. Public notice of Beebe's charity care and financial aid are visible within the hospital and ambulatory care settings. Beebe provided Charity Care totaling \$12,854,008 in fiscal 2017 which constitutes 4.1% of their total patient care expenditures.

DHIN Participation

Beebe Healthcare has been a continuous participant with and financial supporter of the Delaware Health Information Network since its inception. Beebe submits inpatient, emergency, and ambulatory records to the DHIN daily and access care information to support care givers and care coordinators.

Care Coordination

Beebe Healthcare was an early innovator in Care Coordination, developing a Population Health Department in 2013 after consulting with Dr. Jeffery Brenner, a pioneer in the field. The Population Health Department operates an Advanced Care Clinic that provides care coordination and follow up care for patients discharged from the hospital or Emergency Department. Some patients do not have a primary care physician, or their physician is unable to see them within 7 days of discharge. All patients discharged from Beebe's emergency medicine department are contacted by the Advance Care Clinic team.

It was noted a follow up question was sent to Beebe inquiring if they are able to differentiate the site of care on claims data given that they are operating under one EIN. Which patients visit the Lewes facility verses the Millville facility. And if so, what is the field on the claims data that shows this site of care information?

Beebe stated that the billing for the South Coastal Emergency Department will include the address of the site of service so that payers can determine the location of the services and the source of the charge. The billing will follow Medicare guidelines and place the site of care address in the electronic field location EDI 2010AA N3 N4 which is described as Provider Address.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion I. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion II: The need of the population for the proposed project.

The application asserts that Sussex County experienced a significant growth in population over the last 10 years. This growth has put a burden on the current healthcare infrastructure. Planning for future demand is at the core of this proposed expansion. The application states the primary service area of Beebe Healthcare, which is the southeastern portion of Sussex County, the population has grown. The Board reviewed the Delaware Population Projections provided by the Delaware Population Consortium. The projections shows a population increase over the next few years in Sussex County.

Beebe states there are approximately 83,000 residents in the towns that make up the South Coastal communities south of the Indian River Inlet. Improving access to care will be especially important for residents of the western towns in the South Coastal service area (Dagsboro, Frankford, Selbyville, and Millsboro).

Planning for Tourist Population

Beebe states, when planning for Emergency Medicine, one must also consider visitors to the area, not just permanent residents. Like all of eastern Sussex County, the South Coastal region hosts

hundreds-of-thousands of visitors each summer, and experiences strong visitation during the shoulder tourist seasons of the spring and fall. Though statistics are not available that specifically tracks the number of daily visitors to the beach areas of south eastern Sussex County, according to the Delaware Tourism Office 2016 report, 7.35 million leisure visitors came to Delaware in 2015, 5 million of which were here for only a day trip.

Incidence and Utilization

According to the Robert Wood Johnson Foundation¹, national emergency department utilization grew to 40.5 visits per 100 residents in 2006, from 34.2 visits per 100 residents in 1996. The Health System 100 report, *The Future of Demand for Hospitals*, cite a similar historic rise in emergency visits, and projects that by 2025 national average emergency visits per 100 residents will be between 46.5 and 49. Beebe's projections for the Millville Emergency Medicine Department are for 48.3 visits per 100 residents, which takes into account the high number of non-resident visitors who require emergency medical diagnosis and treatment, yet is still consistent with national averages.

The Board discussed the travel time for paramedics in the Sussex county area taking up to 45 minutes or more.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion II. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the State of Delaware.

There are currently no Emergency Medicine services in the South Coastal region. Presently, 100% of patients from these communities drive or are taken by ambulance from 30 to 60 minutes out of their community for diagnosis and treatment of emergency medical conditions.

The majority of South Coastal residents receive emergency medical diagnosis and treatment at one of the following centers:

- | | |
|--|------------------------------|
| • Beebe Medical Center (Lewes, DE) | 30-45 minutes from Millville |
| • Nanticoke Memorial Health System (Seaford, DE) | 60 minutes from Millville |
| • Milford Memorial Hospital (Milford, DE) | 60 minutes from Millville |
| • Peninsula Regional Medical Center (Berlin, MD) | 30-40 minutes from Millville |
| • Atlantic General Health System (Berlin, MD) | 30-40 minutes from Millville |

Beebe Healthcare now operates four (4) year-round urgent care Walk-In Centers, including one in Millville, Delaware. One of the goals for opening these centers was to offer more accessible and less costly urgent care as well as reduce utilization of the hospital's emergency department for non-emergent cases. The number of visits to the Walk-In Centers have experienced extraordinary growth. The sum of all Walk-In Care visits during the fiscal year that ended June 2017 was 39,590 which represents a 109% increase over the same period that ended in June 2015.

¹ Emergency Department Utilization and Capacity, Robert Wood Johnson Foundation, 2009.
Delaware Health Resources Board
Meetings Minutes
July 26, 2018

The growth of Walk-In Center visits has reduced the number of people with low-acuity conditions presenting at the hospital's emergency department in Lewes. The percentage of Level 1 and 2 conditions in the last six months of 2017 have decreased by 18% compared to the same period in 2015.

Beebe asserts it is a positive trend for residents to seek care for non-emergent cases in the region's available Walk-In Care Centers or with their Primary Care doctor. Care in these settings is less costly for the patient and the insurer and is typically closer to the home or workplace of the patient. Non-emergent cases that are at an Emergency Department are triaged behind emergency cases, increasing the wait times for these urgent cases. Urgent care settings offer an improved patient experience for those who do not have emergency medical needs. Beebe plans to continue operating its year-round Walk-In Care Centers after a Millville Emergency Department is constructed and opened.

Despite the growth in the number of community members seeking Walk-In Care, Beebe has continued to experience growth in visits to its Lewes Emergency Department. A greater portion of these cases are true emergencies that require the resources and specialized training of emergency providers. But the volume continues to grow despite efforts to add less-costly access points like Walk-In Care Centers.

To improve the timely access to diagnosis and treatment for those experiencing true medical emergencies in the South Coastal region, Beebe Healthcare proposes to build a free-standing Emergency Medicine Department in Millville, Delaware.

At the May 24th HRB meeting, Beebe presented cost figures for Maryland as it relates to Medicare and Medicaid listed below:

	Maryland	Delaware	Difference
Medicare	\$11,844	\$10,296	15%
Medicaid	\$7,677	\$6,921	11%

Maryland costs tend to be 10-15% higher for Medicaid and Medicare.

It was noted the Review Committee discussed the commercial costs of services for patients in Delaware versus Maryland. It was stated that the cost of services are higher in Delaware than Maryland for commercial payers. It was also mentioned that if more patients are going to be seeking services in Delaware as opposed to Maryland, then this could potentially increase overall cost to the State of Delaware's healthcare system. It was also stated that even though costs may vary for services, it is important to also consider access to care as it relates to the aging population in Sussex County. Having access to these services close by will increase access to care.

The Board discussed the importance of the State of Delaware educating the public on the difference of urgent care and emergency care. It was stated that there has been public hearings conducted on emergency and urgent care. The Board recommended Beebe engage in community education regarding the services offered at the walk in care center and the emergency department.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion III. There was a voice vote, seven approving one opposing and no abstentions. Motion carried.

Criterion IV: The relationship of the proposal to the existing health care delivery system.

Relationship to Current Healthcare System

The freestanding Emergency Medicine Department in Millville, Delaware will be owned and operated by Beebe Healthcare and managed and staffed by the same team at the Emergency at the hospital campus in Lewes. The Millville Emergency Department will utilize the same policies at the Lewes Emergency Department in Lewes. A few new policies are being developed to address communication and transfer of patients who require the services of an acute care hospital.

Referral Relationships

For patients who need services not available in the Emergency Department or at Beebe Healthcare's acute care hospital in Lewes, formal transfer agreements are in place with 52 organizations. These include all the tertiary hospitals in Delaware, Hospital of the University of Pennsylvania, Jefferson University Hospital, Nemours A.I. DuPont Children's Hospital, Children's Hospital of Philadelphia, and many others.

The Board discussed Beebe's active partnership with EMS and BLS throughout Sussex County. The new facility may improve efficiency for EMS and BLS because the units will have less distance to travel during the tourist season, decreasing the time spent when they cannot use lights and sirens. Beebe anticipates the new Emergency Department will create approximately 60 new jobs. The Board discussed the national shortage of healthcare workers and encouraged Beebe to develop recruiting efforts necessary to fill the positions.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion IV. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion V: The immediate and long-term viability of the proposal in terms of the applicant's access to financial, management and other necessary resources.

In 2016, Beebe retained the firm, Freeman White, to complete an evaluation of the need for emergency medicine in Sussex County. Their study included an evaluation of how best to meet the emergency medicine needs of the population in Beebe's Primary Service Area. They evaluated two potential sites for this service: Georgetown and Millville. The Millville site was selected because of the following reasons: the distance from that region to other emergency medical services, the projected population growth, the size of the non-resident population in that area and the need for services.

Beebe provided information that the project will cost up to \$22 million. They plan to issue a tax-exempt bond to finance the project. The Board expressed their concern that the application projects a net surplus beginning in the first year of operation. Beebe provided data that the 59% of patient revenue in the Lewes Emergency Department comes from Medicare and Medicaid. The Board

discussed the Emergency Department is where charity care is provided which may contradict the projection of operating at a surplus in the first year.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion V. There was a voice vote, no abstentions, no opposing. Motion carried.

Criterion VI: The anticipated effect of the proposal on the costs of and charges of healthcare. The application for the proposed project includes the following projected costs during its first full year of operations:

Financial Impact (first full year of operations)

Estimated effect on annual expenses:	\$ 10,899,115
Estimated effect on annual revenue:	\$ 18,935,426
Estimated effect on individual charges:	\$ 0.00

The Board reviewed Schedule 4-Statement of Revenue and Expenses. The Board discussed the impact on charges for patients who may have previously traveled to Maryland for care. Medicare and Medicaid reimbursement rates are lower in Delaware but commercial rates are higher. Depending on the payer mix, the location of additional services in Delaware may increase the overall cost of healthcare. However, the subcommittee and the Board discussed the overall positive impact on health care spending in Delaware. The location of the new facility will reduce travel costs for patients and EMS/BLS. The Board also discussed their concerns about the net surplus the applicant expects in their first year, noting that most emergency departments are losing money.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion VI. There was a voice vote, five approving, three opposing and no abstentions. Motion carried.

Criterion VII: The anticipated effect of the proposal on the quality of health care.

Timely Access to Care

The most important positive outcome for patients experiencing medical emergencies is timely access to care. By building an Emergency Medicine Department in Millville, Delaware, Beebe will be shortening the time to care for residents and visitors in the South Coastal region. Rather than driving 30 to 60 minutes to an emergency department, patients can drive 5 to 25 minutes to care, depending on how far from the Millville Emergency Medicine Department they start. Timely access to care for patients experiencing medical emergencies saves lives and reduces the negative outcomes due to delayed access to care. Beebe is accredited by the Joint Commission on Accreditation of Healthcare Organizations and by Medicare and Medicaid.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion VII. There was a voice vote, no abstentions, no opposing. Motion carried.

Discussion

Beebe submitted a letter addressing one of the Review Committee's vote to deny the application during the Review Committee Meeting held on July 17, 2018. Beebe's letter stated the vote to deny their application was based on a belief that the freestanding emergency department in Millville would increase the total cost of healthcare for Delaware. Beebe addressed this issue in a written document which becomes part of the public record and is included in the CPR application documentation. The Board discussed this matter. It was stated that based on information received from the State of Delaware's Health Insurance Plan, it is believed that the proposal will increase the cost to the State's Health Insurance Plan.

Action

There was a motion made to accept the Review Committee's recommendation that the application submitted by Beebe to construct a new Freestanding Emergency Department in Millville DE be approved. There was a voice vote, five approving, one abstaining and two opposing. Motion carried.

Public Comment

There were no comments from the public.

Next Meeting

September 27, 2018

Adjourn

The meeting adjourned at 4:34 p.m.

Guests Attended

Alex Syndor	Beebe Healthcare
Meg Williams	Delaware Healthcare Association
Donna Owens	Bayhealth
Lauren Becher	Christiana Care
Deb Hamilton	Hamilton Goodman Partners